

# Norwegian-Ukrainian Cooperation

Bilateral trade, Trade Agreements and Future Opportunities

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# Bringing business together for a sustainable future

NUCC is a non-profit, non-political membership organization,  
existing to actively work for



Increased **trade and business cooperation** between Norway and Ukraine



Enabling **members** to benefit from bilateral business opportunities



A positive **economic** development in Ukraine

## Good Corporate Governance and Business Development



IT  
and Professional  
Services



Energy and  
Infrastructure



Seafood and  
Agriculture



Manufacturing



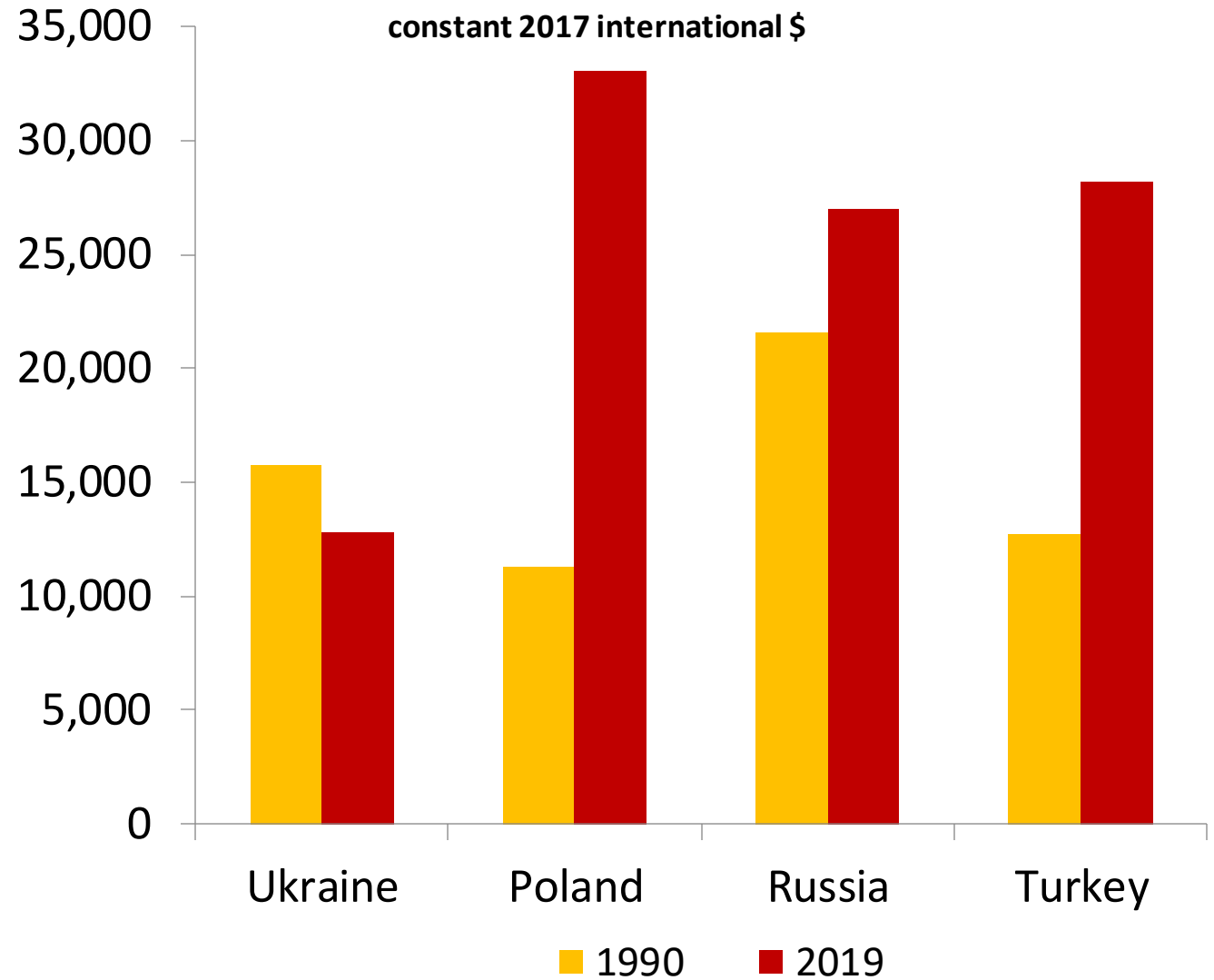
Tourism

Norwegian-Ukrainian Business Forum

Young Entrepreneurs Program

# Comparative economic development

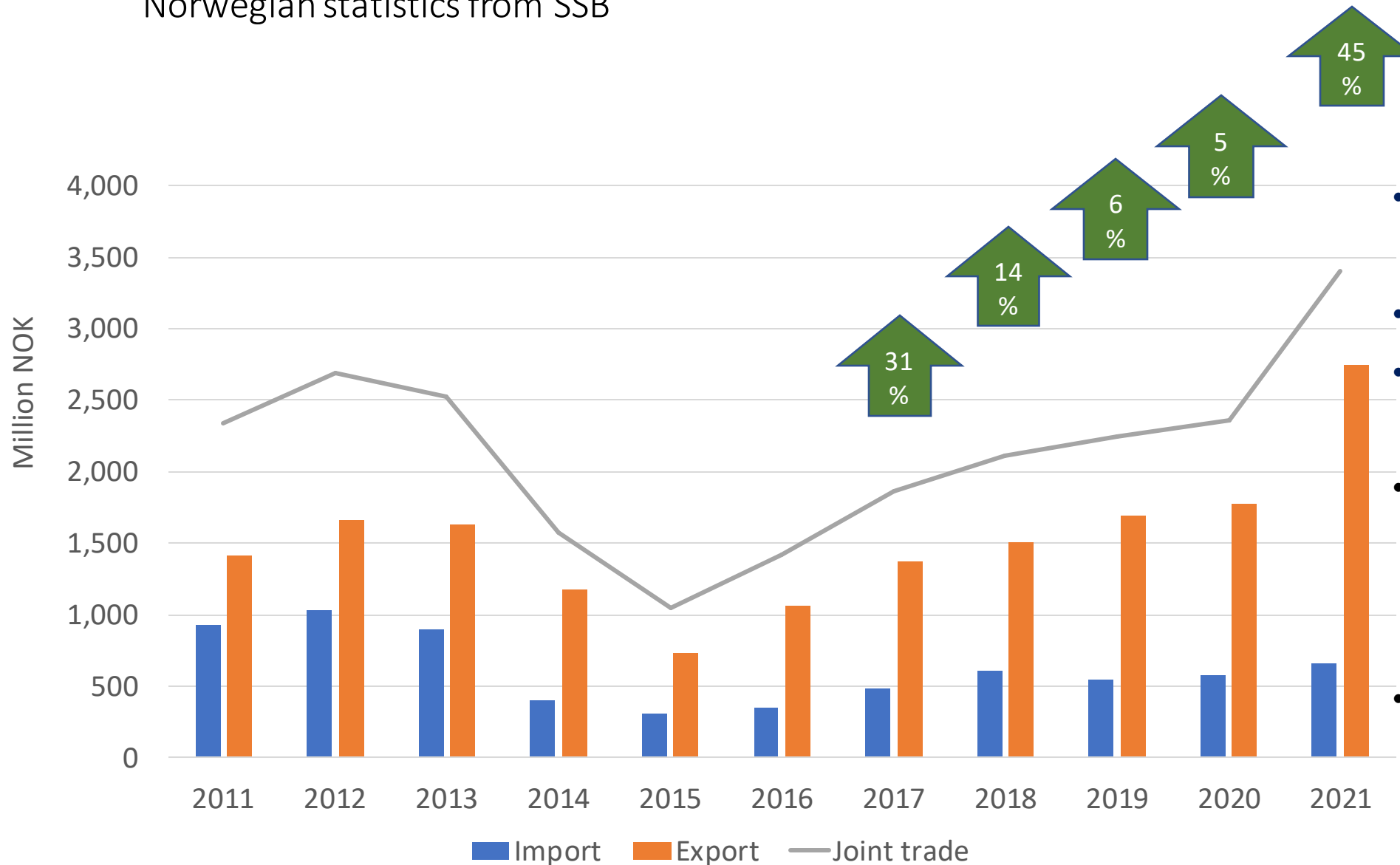
GDP per capita, PPP, 1990 and 2019



Source: World Bank, World Development Indicators

# Balance in Trade of Goods - Norway and Ukraine

Norwegian statistics from SSB

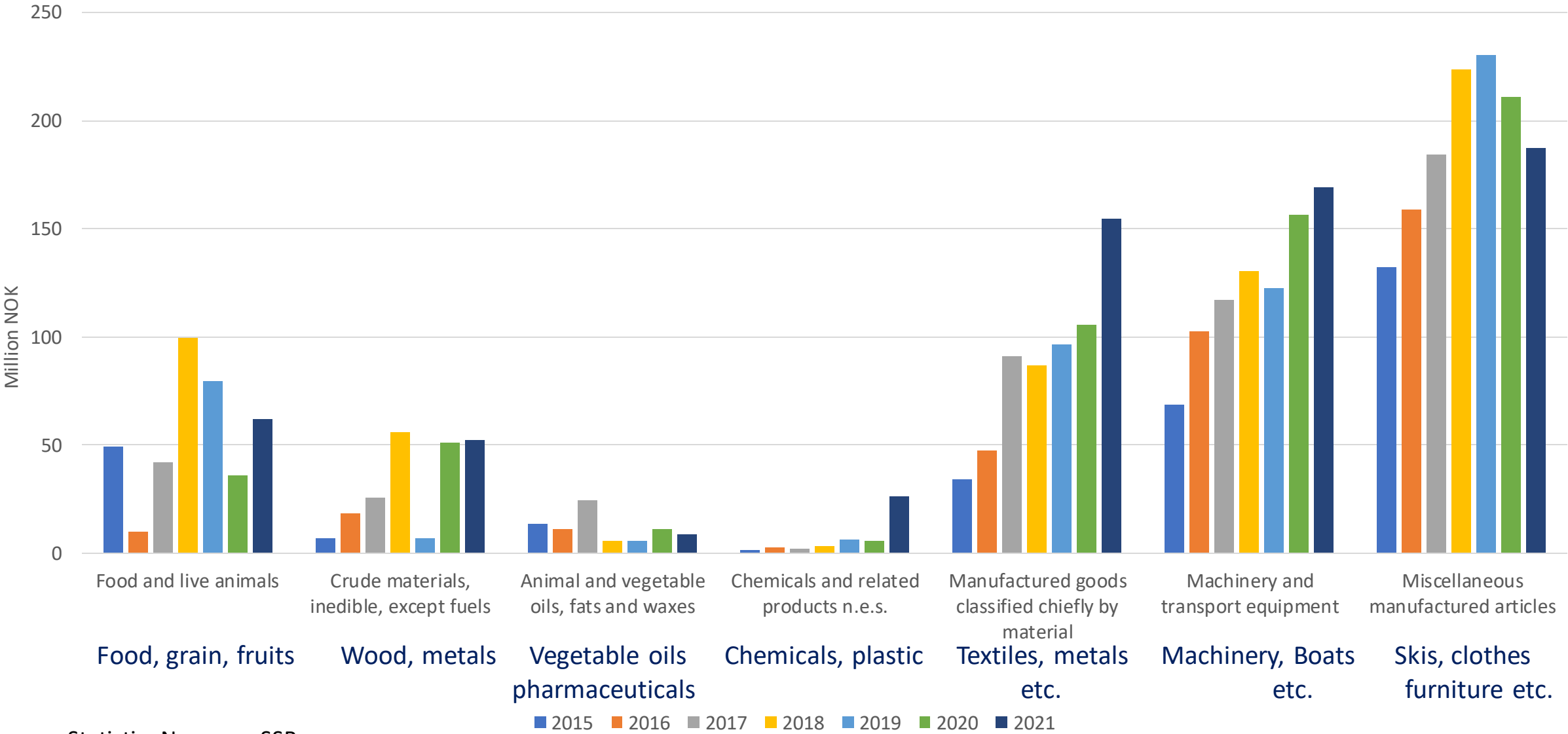


## Joint trade

In 2021

- **3,406 billion NOK** + 45 %
- NO export: 2,74 bNOK + 54 %
- NO import: 661 mNOK + 14 %
- Export register very strong increase in metal trade, industrial machinery. Seafood continues setting records with + 36 % yoy.
- Drivers for increased import from Ukraine include agriculture, metals, manufactured goods: clothing, pleasure boats, sport equip, furniture, machinery.

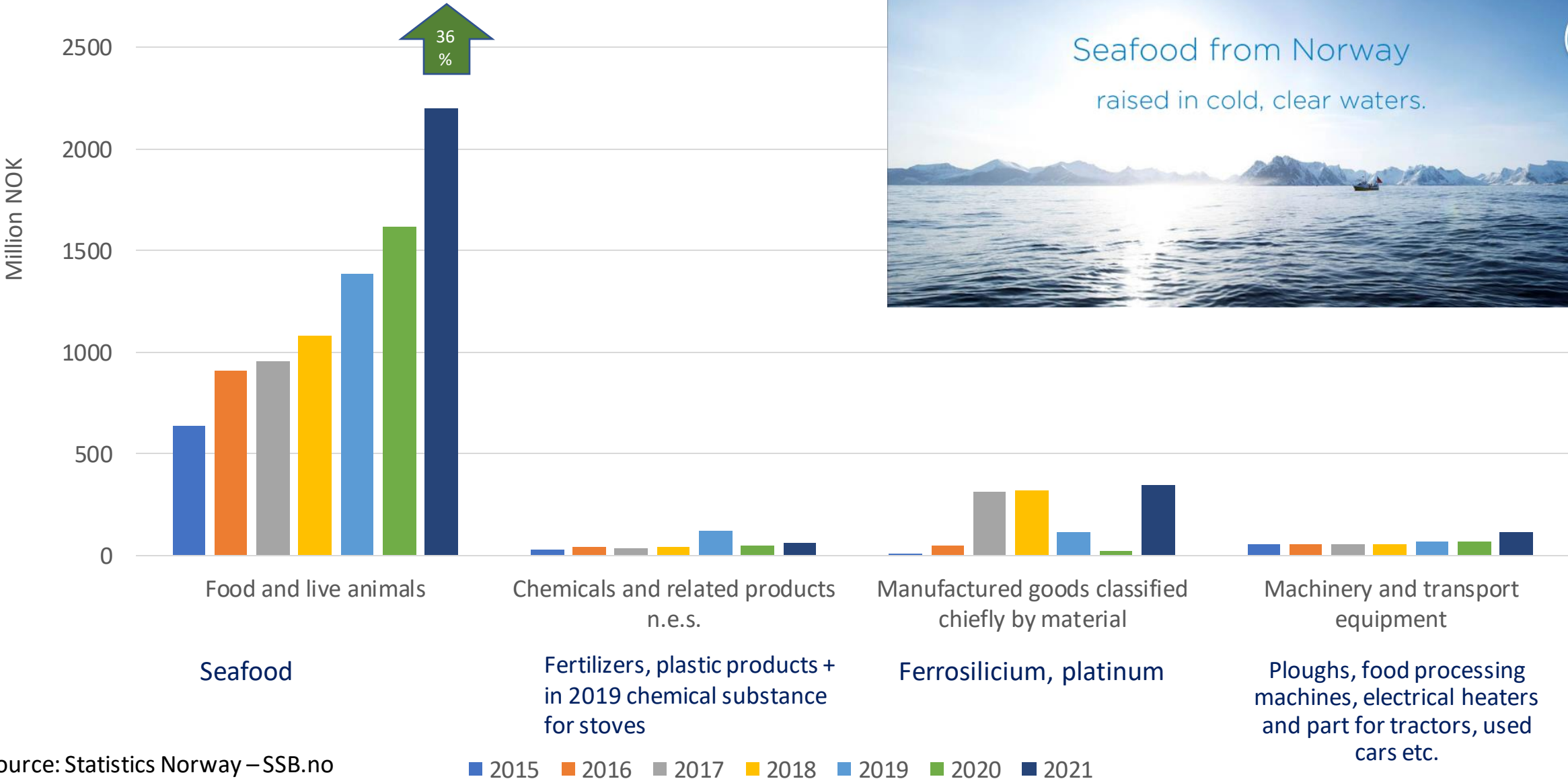
# Norwegian main imports of goods from Ukraine



Source: Statistics Norway – SSB.no

# Norwegian exports of goods to Ukraine

Excl. Petroleum

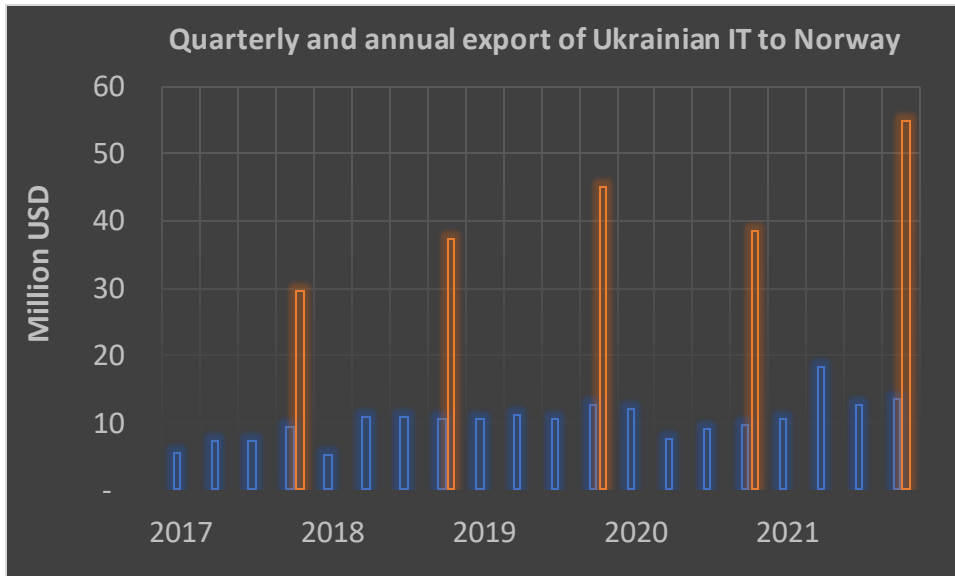


Source: Statistics Norway – SSB.no

# Balance in Trade of Services - Norway and Ukraine

NUCC estimates, due to lack of reliable statistics

## 2021



- **200 million USD estimated trade of services**
- **+ 20 % annual growth rate estimation**
- IT-services constituting roughly 2:3
- More than 2 500 Ukrainian IT-specialists employed
- Official statistics on IT from NBU indicate:
  - 22 % annual growth rate from 2017 to 2021.
  - 43 % growth registered in 2021.
  - NUCC estimates NBU picks up approx. half of IT-trade

# Trade Agreements Norway - Ukraine

- **Ukraine** signed a **FTA** with the **EFTA states in 2010** (in force as of 2012)
- Additionally, **Norway and Ukraine** concluded further to the FTA between the EFTA states and Ukraine a **bilateral agreement on agriculture**. The agreement covers trade in agricultural goods (HS Chapter 1-24).
- The bilateral agricultural agreement, together with the FTA, constitute the **free trade area** established between the Norway and Ukraine.

# Free Trade Agreement with EFTA

- The **FTA between EFTA and Ukraine covers** trade in goods, rules of origin, trade simplification of technical barriers, veterinary and phytosanitary measures, trade in services, investment, public procurement, intellectual property, dispute resolution and competition.
- For trade in goods, it means **duty-free access for all industrial goods**, with a few minor exceptions.
- Furthermore, the **FTA provides very good conditions for Norwegian exports of seafood**, compared to Norway's current agreement with EU.

# Free Trade Agreement with EFTA

- The FTA also contains a **chapter on investments**. This gives foreign investors the same treatment as domestic investors, except for some individual areas where Ukraine has reservations about access to discrimination.
- The agreement structure and provisions on **trade in services are based on the WTO Agreement on Trade in Services (GATS)**.
- **Ukraine assumes obligations beyond what follows from the WTO** in important areas for Norway such as shipping services, financial services and telecommunications.

# Agreement on agriculture between Norway and Ukraine

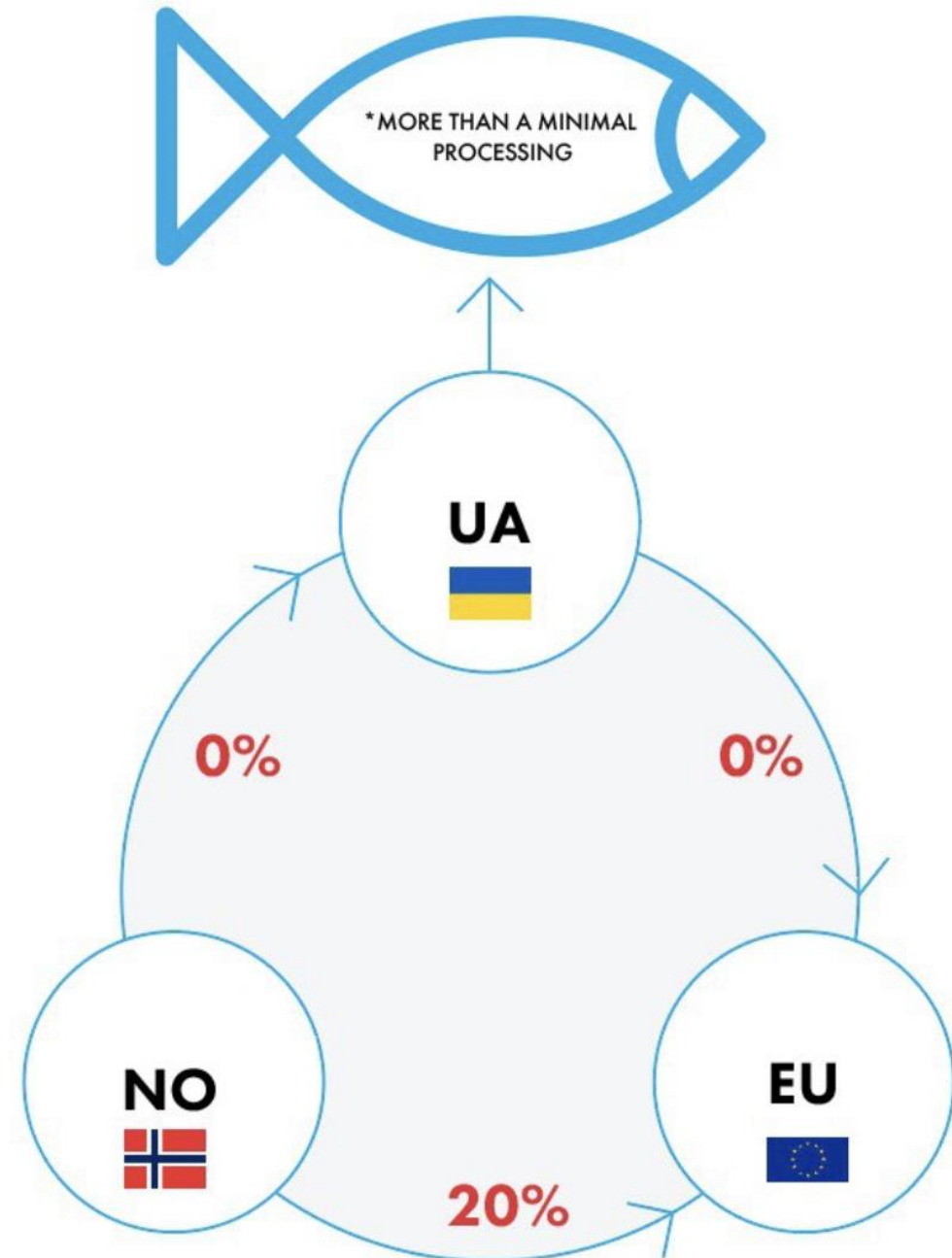
- In addition to the FTA, Norway and Ukraine entered into a **bilateral agreement on agricultural** simultaneously.
- **Norway has committed themselves not to give Ukraine worse treatment than they give any EU-members** for processed agricultural products.
- Trade in unprocessed agricultural products is covered by the bilateral agricultural agreement between Norway and Ukraine. The **Annex of the agreement stipulates tariff concessions** for goods, such as honey, vegetables, fruits and grain.
- The agreement stipulates that **both parties are obliged to continue liberalization of trade in agricultural goods.**
- **Import of aquafeed or ingredients for it are duty free** (25% of total NO agricultural imports) no matter the ordinary duty rate.

# Opportunities

PEM convention.

Diagonal Cumulation:

Ukraine – Norway – EU



# Opportunities:

**IT sector:** Norway lacks ICT specialists

**Agriculture:** the bilateral agreement on agriculture needs improvement. Ukraine is treated on the same level as EU countries, therefore has higher tariffs than Russia or Kazakhstan

**Logistics:** needs to be improved – very few logistic companies operating directly between Ukraine and Scandinavia/Norway

**Industrial production:** good quality, skilled personell. Need for modernisation (factories, equipment)

**Shipbuilding:** important service for Norway, Ukraine has competence and

- 1** Strong growth of the output
- 2** Export focus (share of export sales is above 20% of total industry sales)
- 3** Strong growth of exports to EU proving the ability of industry players to comply with European technical regulation and satisfy customer needs

<b>1</b>	<b>Furniture</b>		Automobile seats, cushioned furniture, office and trade furniture, lighting
<b>2</b>	<b>Paper and paper products</b>		Liquid food product packaging, wallpaper, other paper and cardboard products
<b>3</b>	<b>Other industrial goods</b>		Skis, sport equipment, toys, Christmas decorations, promo refrigerators for food and beverage retail
<b>4</b>	<b>Textiles</b>		Covers for mattresses and pillows, carpets, domestic upholstery, bed linen, interior fitting for automobiles, automobiles seat covers, covers for furniture, furs, flexible packaging, polyester fiber
<b>5</b>	<b>Fabricated metal products</b>		Light metal packaging, locks and metal parts for doors and windows, seats for automobiles, trade furniture and equipment, safes, wires
<b>6</b>	<b>Electrical equipment</b>		Cable and wire products for automotive industry, part of international automotive value chain
<b>7</b>	<b>Other transport equipment</b>		<b>Vessels:</b> Ships, sporting and touring boats, inflatable boats, metal containers for ports <b>Railway:</b> Railway wheels, railway carriages, railway turnout and switching products <b>Aircraft</b> building and servicing
<b>8</b>	<b>Timber and wood work</b>		Parquet boards, laminate, particle board, medium-density fibreboard, other processed timber products
<b>9</b>	<b>Other machinery and equipment</b>		Aircraft engines, gas turbine engines, gas power generation sets, bearing, machinery for metal processing plants, ventilation systems, crane equipment, retail and industrial refrigerators for beverages
<b>10</b>	<b>Chemicals and chemical products</b>		Titanium, reagents and solvents, abrasives, fertilizers, carbon black

## TOP

Potential non-food manufacturing industries account for 53% of total Ukraine's exports to EU in 2019

**53%**

## Norway imports from Ukraine showed strong growth in 2016-2019

Total Norway imports from Ukraine, million NOK



Source: Statistics Norway

### Contribution of non-food manufacturing sectors

Top potential non-food manufacturing industries account for 50% of total Norway imports from Ukraine

**50%**

Top potential non-food manufacturing industries + apparel account for 70% of total Norway imports from Ukraine

**70%**

## Examples of products exported to Norway

- Sporting and touring boats; Inflatable boats
- Cushioned furniture
- Starch
- Flexible packaging for goods
- Various knitted apparel
- Modular houses and other modular construction
- Ventilation systems
- Basalt thermal insulation
- Car trailers

Ukraine's top potential manufacturing sectors

to Norway

Examples of products